

EXHIBIT C

Garapan Lease

FILE NO. 90-396COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS P 2: 03
SAIPAN, MARIANA ISLANDS 90 SEP 28

LEASE AGREEMENT

BOOK 4 PAGE 14
COMMONWEALTH RECORDER

This Lease Agreement, made this 21st day of September 1990, on Saipan, Mariana Islands, by and between the MARIANA PUBLIC LAND CORPORATION, its successors and assigns, hereinaft called the "Corporation", whose offices are located at Capit Hill, Saipan, Mariana Islands, and MICRONESIAN TELECOMMUNICATIONS CORPORATION, its successors and assigns, hereinaft called "Lessee".

The parties agree as follows:

ARTICLE 1. GRANT OF PREMISES

The Corporation leases to the Lessee the described real property known as Lot No. 076 D 01, located in Garapan, Saipan, Commonwealth of the Northern Mariana Islands, containing an area of 929 square meters, more or less, as shown on Drawing Cadastral Plat No. 076 D 00, Commonwealth Recorder's File No. 90-3721, approved September 18, 1990, attached as Exhibit which is incorporated herein and made part hereof by reference together with all existing improvements thereon and appurtenances thereto, herein called the "Premises".

ARTICLE 2. PURPOSE

The property shall be used, except with the written consent of the Corporation, only for the purpose of constructing, operating, and maintaining facilities for the exchange, switch

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and transmission of telecommunication as well as a base yard for the storage of supplies, vehicles and maintenance equipment.

ARTICLE 3. TERM

The term of this Lease shall be for a period of twenty-five (25) years unless otherwise terminated pursuant to applicable provisions of this Lease. The leasehold term shall commence on the first day of the month on which the Lease is executed.

ARTICLE 4. GRANT TO EXTEND

The Corporation grants the Lessee an extension of this Lease for one (1) additional term of fifteen (15) years subject to all of the terms and provisions set forth in this Lease; provided, however, that this extension for an additional fifteen (15) years shall be subject to the approval by the Northern Marianas Commonwealth Legislature provided for under Article XI, Section (c) of the Constitution of the Northern Mariana Islands.

ARTICLE 5. RENTAL

The Lessee, in consideration of the foregoing, covenants and agrees to pay to the Corporation, in the manner prescribed herein in lawful money of the United States, annually as rent for Premises leased hereby the following rentals:

A. GUARANTEED ANNUAL RENTAL

<u>PERIOD</u>	<u>AMOUNT</u>
1st Five Year Period	\$12,640.35
2nd Five Year Period	\$13,651.57

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3rd Five Year Period	\$14,743.70
4th Five Year Period	\$15,923.20
5th Five Year Period	\$17,197.05

The above annual rental shall be paid quarterly in advance.

B. Gross Receipt Rental. In addition to the guaranteed minimum annual rental provided for above, the Lessee shall pay to Corporation in the manner prescribed herein any surplus resulting from subtracting the minimum annual rental from the percentage (3%) of the gross receipts and as further defined in Article 35 H hereof.

This additional amount, if any, shall be paid quarterly within forty-five (45) days from the end of the quarter, with adjustments, if any, to be made at the end of every calendar year upon the submission of the annual certified financial statements as provided in Article 8 hereof. A copy of the CNMI Business Gross Revenue Tax Quarterly Return must be submitted quarterly together with the computation of the quarterly gross receipt rental to substantiate the additional payment or non-payment.

C. Manner of Payment. The Lessee shall discharge its obligation of payment under this Article by depositing its payments required under this Article with the Marianas Public Land Corporation Office, located at Capitol Hill, Saipan, Mariana Islands, or in such manner as the Corporation may from time to time designate in writing.

D. Time and Payment; Interest. All rents payable pursuant to the terms of this Lease Agreement shall be deemed to have commenced from the first day of the month of execution of the

Lease and shall be paid without prior notice or demand. Past due rental shall bear interest at one percent (1%) per month compounded monthly, from the date it becomes due until paid. This provision shall not be construed to relieve the Lessee from any default in making any rental payment at the time and in the manner herein specified.

ARTICLE 6. APPRAISAL AND DETERMINATION OF RENTAL AFTER EACH TEN YEARS

Notwithstanding the provision under Article 5A, at the end of each ten (10) year period of this Lease Agreement or renewal or extension thereof, the guaranteed annual rental payable by the Lessee to the Corporation for the next two five-year period shall be based upon eight (8%) percent of the appraised fair market value of the unimproved land or as provided for under Article 5, whichever is greater utilizing the land residual method of appraisal.

The appraised market value will be determined by an independent appraiser who must be a member of a nationally accepted appraisal society, to be selected by the agreement between the Corporation and the Lessee. In the event that the Corporation and the Lessee cannot reach an agreement on the selection of the appraiser, the appraiser will be selected by the Chief Justice or Associate Justice of the Commonwealth Supreme Court. The cost of the appraisal will be borne by the Lessee.

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ARTICLE 7. ANNUAL REPORTS AND AUDIT

The Lessee shall, not later than forty-five (45) days after the end of each calendar year of this Lease Agreement, submit to the Corporation U.S. CPA audited financial statements to include a schedule of gross receipts indicating sources and deduction in support of the gross receipts rental requirement under Article 6B. Any duly authorized representative of the Corporation shall have access to and the right to examine and audit any or all pertinent books, documents, papers and records of the Lessee and its sublessee and concessionaires relating to this Lease Agreement during the normal business hours of all working days. Lessee shall insert a similar provision in all subleases pertaining to this right of access, examination, and audit and shall make available to said representative(s) or agent(s) all books and records of the Lessee or its sublessee and concessionaires which may be requested or may be necessary for completion of a special audit of any or all activities or enterprises conducted on the Premises.

The Lessee shall keep and maintain its accounting and bookkeeping system in accordance with generally accepted accounting principles applicable to the industry. The Lessee shall keep its accounting books and records at all times in the English language.

ARTICLE 8. PERMITS, CONSTRUCTION PLANS, AND SPECIFICATIONS

A. Permits. The Lessee agrees and covenants that within three (3) months from commencement of this Lease Agreement, it will at its own expense and risks secure all required C

Government and applicable federal permits.

1 B. Construction Plans and Specifications. The Lessee
2 agrees and covenants that within six (6) months from commencement
3 of this Lease Agreement, it will submit complete construction
4 plans and specifications for construction of facilities and
5 structures authorized under Article. Upon submittal by the
6 Lessee, the Corporation has fifteen (15) working days to review
7 the submitted construction plans and specifications and to
8 notify the Lessee of approval or disapproval of the submitted
9 plans. In the event that changes are necessary, the Corporation
10 shall give the Lessee reasonable time to make necessary changes
11 to the plans for resubmittal to the Corporation. If the
12 Corporation does not notify the Lessee in writing of the status
13 of the submitted plans within the thirty (30) working days review
14 period, then the submitted plans and specifications are deemed
15 approved.

16 ARTICLE 9. CONSTRUCTION SCHEDULE

17 The Lessee agrees and covenants that within seven (7) months
18 from commencement date of this lease agreement, it will at its own
19 cost, risk and expense, commence construction of facilities and
20 improvements in accordance with the approved plans as required
21 under Article 8B and will diligently pursue its construction and
22 said construction must be completed no later than twenty four
23 (24) months from the commencement date of the Lease Agreement
24 subject to excused delay of performance as provided in Article
25 10.
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ARTICLE 10. EXCUSED DELAY OF PERFORMANCE

1 Whenever under this Lease Agreement a time is stated withi
2 which or by which original construction, repairs, reconstructio
3 or other performance by the Lessee shall be commenced or b
4 completed, and a failure or delay in such performance is due
5 in whole or in part, to fire, explosion, earthquake, storm
6 flood, drought or other unusually severe weather conditions
7 accident, breakdown of machinery or facilities, strike, lockout
8 combination of workmen, war, insurrection, riot, act of God o
9 the public enemy, or any contingency or delay or failure or caus
10 of any nature beyond the reasonable control of either party
11 whether or not of the kind hereinbefore specified and whether o
12 not any such contingency is presently occurring or occurs in th
13 future, and such failure or delay does not result from the faul
14 or negligence of the Lessee, the period of delay so caused shal
15 be added to the period allowed herein for the completion of suc
16 work provided, however, the Lessee shall notify the Corporatio
17 in writing within thirty (30) days after the occurrence of any o
18 the above events.

ARTICLE 11. CONSTRUCTION, MAINTENANCE, REPAIR, ALTERATION

19 All improvements placed on the Premises shall be constructed
20 in good and workmanlike manner and in compliance with applicabl
21 laws, regulations, ordinances, and building codes. All portion
22 of buildings located upon the Premises exposed to perimete
23 properties or to the public view shall present a pleasant
24 appearance and all service areas shall be screened from publi
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view. The Lessee shall, at all times during the term of this Lease Agreement and at the Lessee's sole cost and expense maintain the Premises and all improvements thereon in good order and repair and in a neat, sanitary and attractive condition Unless the same are to be promptly replaced with improvement having at least an equal value, no removal or demolition of improvements have a value in excess of \$25,000.00 shall take place without the prior written consent of the Corporation. No additions having a value in excess of \$25,000.00 shall be constructed on the Premises without the prior written consent of the Corporation. The consent may be conditioned by the Corporation upon an amendment to Article 5 and the other terms of the Lease. The Lessee shall indemnify and hold harmless the Corporation against liability for all claims arising from the Lessee's failure to maintain the Premises and the improvement situated thereon as hereinabove provided, or from the Lessee's violation of any law, ordinance, or regulation applicable thereto.

ARTICLE 12. SUBLEASE, ASSIGNMENT, TRANSFER, CONCESSIONS

(a) Except with the prior consent in writing of the Corporation in each instance, Lessee shall not, with respect to development on the public land leased hereby:

- (1) assign, sublease or transfer all or any part of the Lessee's interest in or to the Premises, or permit the Premises to be used or occupied by others, or
- (2) enter into a management contract or other

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arrangement by which the Premises shall be managed and operated by anyone other than Lessee, or

(3) grant concessions, permits, or otherwise contract for or permit any business or commercial enterprise or activities to be constructed or performed on the Premises by any person other than the Lessee.

In addition, this lease shall not be assigned or transferred by operation of law. In no event shall Lessee assign or otherwise transfer this lease within five (5) years from the date of its execution.

The consent by the Corporation to an assignment, transfer, management contract, use, occupancy, permit, or subletting may be granted, denied or made subject to such conditions as the Corporation finds to be in the best interest of its beneficiaries. No sublease, assignment, transfer, concession, permit, or contract shall be valid without the approval of the Corporation, and then only if the respective sublessee, assignee, transferee, concessionaire, permittee, or other contracting party agrees in writing that the provisions of this lease bind such sublessee, assignee, transferee, concessionaire, permittee, or contracting party.

Once given, the Corporation's consent shall not relieve Lessee in any way from obtaining the prior consent in writing of the Corporation to any further assignment, transfer, management contract, use, occupancy, or subletting.

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For purposes of this section, "Premises" includes any portion of the leased Premises or any improvement on the leased Premises, and "Lessee" includes Lessee's employees, successors and assigns.

(b) If the sale, assignment, transfer, use, or other disposition of any of the issued and outstanding capital stock of Lessee (or of any successor or assignee of Lessee which is a corporation), or of the interest of any general partner in a partnership owning the leasehold estate created hereby, or of the interest of any member of a joint venture, syndicate, or other group which may collectively own such leasehold estate, shall result in changing the control of Lessee or such other corporation, partnership, joint venture, syndicate, or other group, then such sale, assignment, transfer, use, or other disposition shall be deemed an assignment of this lease and shall be subject to all the provisions of this lease with respect to assignments.

For the purposes of this Section, "control" of a corporation shall be deemed to be vested in the person or persons owning more than fifty percent (50%) of the voting power for the election of the Board of Directors of such corporation, and "control" of a partnership, joint venture, syndicate, or other group shall be deemed to be vested in the person or persons owning more than fifty percent (50%) of the general partner's interest in such partnership or of the total interest in such joint venture, syndicate, or other group. For purposes of determining control by a person, members of the family of a

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ARTICLE 13. STATUS OF SUBLEASES

Termination of this Lease Agreement, in whole or in part, cancellation or otherwise, shall not serve to terminate subleases, concessions, or subtenancies, but shall operate as an assignment to the Corporation of any and all such subleases, concessions, and subtenancies.

ARTICLE 14. AGREEMENTS FOR UTILITY LINES

The Lessee shall have the right to enter into agreement with public utility companies or with the Government of the Commonwealth of the Northern Mariana Islands and/or any of its agencies to provide utility services, including water, electricity, telephone, television, and sewer line necessary for the full enjoyment of the Premises and the development thereof in accordance with the provisions of this Lease Agreement. Subject to prior consultation with Lessee, the Corporation reserves the authority to grant utility rights of way across the Premises. The Lessee shall furnish to the Corporation executed copies thereof together with a plat or diagram showing the true location of the utility lines to be constructed in accordance therewith.

ARTICLE 15. RIGHTS-OF-WAY FOR UTILITY LINES

The Corporation hereby agrees to grant rights-of-way on, and across public lands for utility lines necessary to the full enjoyment of the Premises and the full development thereof. Such rights-of-way are to be granted by the Corporation in accordance with the approved general development and construction plans.

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ARTICLE 16. RIGHT OF MORTGAGE

1 The Lessee, its successors and assigns may, subject to the
2 express prior written approval of the Corporation, mortgage this
3 Lease Agreement and the Lessee's interest hereunder, provided
4 that no holder of any mortgage of this Lease Agreement or the
5 Lessee's interest hereunder, or any one claiming by, through or
6 under any such mortgage shall, by virtue thereof, except as
7 provided in Article 16 hereof, acquire any greater rights
8 hereunder than the Lessee, and no mortgage of this Lease
9 Agreement or the Lessee's interest hereunder, in whole or in
10 part, by the Lessee or the Lessee's successors or assigns shall
11 be valid, unless: (i) at the time of the making of such
12 mortgage, there shall be no default under any of the agreements,
13 terms, covenants and conditions to be performed by the Lessee
14 under this lease; (ii) such mortgage shall be subject to all the
15 agreements, terms, covenants and conditions of this Lease
16 Agreement, (iii) any such mortgage shall reserve to the
17 Corporation prior right, in the event of Lessee's default under
18 the same and after notice of the same character and duration as
19 required to be given to Lessee, to correct the default or to
20 purchase the same and terminate this Lease Agreement; and (iv)
21 such mortgage shall contain the following provisions:

22 "This instrument is executed upon condition that (unless
23 this condition be released or waived by the Corporation
24 or its successors in interest by an instrument in
25 writing) no purchaser or transferee of said Lease
26 Agreement at any foreclosure sale hereunder, or other

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transfer authorized by law by reason of a default .

1 hereunder where no foreclosure sale is required, shall,
2 as a result of such sale or transfer, acquire any right,
3 title or interest in or to said Lease Agreement or the
4 leasehold estate hereby mortgaged unless (i) the
5 Corporation shall receive written notice of such sale or
6 transfer of said Lease Agreement within fifteen (15) days
7 after the effective date of such sale or transfer and
8 (ii) a duplicate original copy of the instrument or
9 instruments used to effect such sale or transfer shall
10 be delivered to the Corporation within thirty (30) days
11 after the execution and delivery thereof."

12 Any mortgage entered into shall be strict compliance w
13 all applicable laws and regulations, including mortgage secur
14 instrument laws, or applicable constitutional provisions,
15 order to be valid and enforceable.

16 ARTICLE 17. RIGHTS OF LEASEHOLD MORTGAGEES

17 If the Lessee or the Lessee's successors or assigns s
18 mortgage this Lease Agreement or its interest in the Premi
19 in accordance with the provisions of this Lease Agreement,
20 so long as any such leasehold mortgage, as hereinafter defi
21 shall remain unsatisfied of record, the following provis
22 shall apply:

23 A. Notice to Mortgagee. The Corporation shall serve
24 the Lessee any notice of default pursuant to the provisio
25 Article 23 or any other notice under the provisions of or
26

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1 respect to this Lease Agreement. The Lessee shall thereafter
2 serve a copy of such notice upon the holder of the then existing
3 mortgage of this Lease Agreement or the Premises. Service of
4 such notice of default upon the Lessee shall be deemed as service
5 on the mortgagee who shall thereafter have the same period as
6 the Lessee for remedying the default or causing the same to be
7 remedied, as is given the Lessee after service of such notice
8 upon it.

9 B. Remedy. Such leasehold mortgagee of this Lease Agreement
10 or the Premises, in case the Lessee shall be in default
11 hereunder, shall, within the period and otherwise as here
12 provided, have the right to remedy such default, or cause the
13 same to be remedied, and the Corporation shall accept such
14 performance by or at the instigation of such leasehold mortgagee
15 as if the same had been performed by the Lessee.

16 C. Diligent Prosecution. No default on the part of Lessee
17 in the performance work required to be performed, or acts to
18 be done, or conditions to be remedied, shall be deemed to exist,
19 unless steps shall, in good faith, have been commenced promptly
20 to rectify the same and shall be prosecuted to completion with
21 diligence and continuity in accordance with Article 23,
22 "Default", unless otherwise specified in this Lease Agreement.

23 D. Termination. Anything herein contained notwithstanding
24 while such leasehold mortgage remains unsatisfied of record,
25 any event or events shall occur which shall entitle
26 Corporation to terminate this Lease Agreement, and if before
expiration of ninety (90) days after the date of service

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notice of termination by the Corporation all rent and other payments herein provided for then in default is fully paid, and shall have complied or shall be engaged in the work of complying with all the other requirements of this Lease Agreement, if any then in default, then in such event the Corporation shall not be entitled to terminate this Lease Agreement and any notice of termination theretofore given shall be void and of no force or effect, provided, however, nothing herein contained shall in any way affect, diminish or impair the right of Corporation to terminate this Lease Agreement or to enforce any other subsequent default in the performance of any of the obligations of the Lessee hereunder.

E. Notice of Termination. In the event of the termination of this Lease Agreement prior to the natural expiration of the term hereof, whether by summary proceedings to dispossess service of notice to terminate or otherwise, due to default of the Lessee as provided in Article 20 hereof, or any other default of the Lessee, the Corporation shall serve upon the holder of the then existing mortgage on this Lease Agreement or the Premises written notice of such termination. Nothing herein contained shall release the Lessee from any of its obligations under this Lease Agreement which may not have been discharged or fully performed by any mortgage of this Lease Agreement or the Premises, or its designee.

F. First Mortgage Only. Whenever reference is made herein to the holder of the mortgage on this Lease Agreement or the Premises, the same shall be deemed to refer only to the holder of

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the first mortgage on this Lease Agreement or the Premises, any, as shown by last notice by registered mail given to the Corporation. Any notice or other communication to any such holder or mortgage shall be in writing and shall be served either personally or by certified or registered airmail addressed to such holder or mortgagee at his address appearing on such record or at such other address as may have been designated by notice in writing from such holder or mortgagee to the party serving such notice of communications. Nothing contained in this Article shall be construed so as to require the Corporation to serve notices upon or recognize any leasehold mortgagees other than the holder of such first mortgage on this Lease Agreement or the Premises, as aforesaid.

ARTICLE 18. FIRE AND DAMAGE INSURANCE

The Lessee shall, from the effective date of this Lease Agreement, carry fire and damage insurance with extended coverage endorsements, jointly in the names of the Lessee and the Corporation, covering the full insurable value of all permanent improvements on the Premises, subject to appropriate co-insurance provisions. The policy shall contain a clause requiring that the Corporation be given thirty (30) days notice prior to any cancellation or termination of the policy. A copy of such policy or policies or an acceptable certificate shall be deposited with the Corporation within thirty (30) days of the same obtained by the Lessee. The Lessee shall pay all premium and other charges payable in connection with insurance carried by the Lessee.

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In the event of damage to any permanent improvement on the Premises, the Lessee shall reconstruct such improvement in compliance with applicable laws, ordinances, and regulations and in accordance with the applicable provisions of this Lease Agreement. Such reconstruction shall commence within six (6) months after the damage occurs and shall be pursued diligently and completed within one (1) year of the occurrence.

In the event of damage to the extent of seventy-five percent (75%) or more of the total value of all permanent improvements on the Premises during the last five (5) years of the term of the Lease Agreement, the Lessee for ninety (90) days shall have the option to agree to reconstruct the damaged improvement(s). Should the Lessee fail to notify the Corporation in writing of the exercise of its option to reconstruct within ninety (90) days of the occurrence of damage, the Premises shall be cleared at the Lessee's expense and upon completion of such clearing this Lease shall terminate. In the event Lessee shall elect not to rebuild damaged improvements during the last five year term of the lease, all insurance proceeds accruing as a result of the fire or damage, it is jointly agreed hereto, shall be for the sole benefit of and made payable to the Corporation, or its lawful successors and assigns. Any damages incurred or suffered by a sublessee, assignee, mortgagee or otherwise as a result of such termination shall be borne solely by the Lessee.

ARTICLE 19. NOTICES

All notices shall be made by personal delivery

by registered or certified mail, addressed to the property party as follows:

CORPORATION: P. O. Box 380
Saipan, MP 96950

LESSEE: P. O. Box 306
Saipan, MP 96950

All notices to the Lessee or the Corporation shall be deemed delivered as of the date of the post mark of any mail notices properly addressed and registered by the U.S. Post Office provided that such notice and mail is properly addressed, as set forth above, contains sufficient postage and is registered.

ARTICLE 20. LIABILITY INSURANCE

Lessee covenants and agrees to save and keep harmless the Corporation against all liabilities, damages and claims to person or property, and in connection therewith, Lessee agrees to procure and maintain in force during the term of this Lease and any extension thereof, at its expense, public liability insurance, in companies authorized to do business in the Northern Mariana Islands, in a minimum amount of \$100,000 for each person injured, \$300,000 for any one accident, and \$300,000 for property damage or such higher amounts as the Corporation may reasonably require. Copies of such policies shall be delivered to the Corporation and shall contain a clause stating that at least thirty (30) days notice shall be given to the Corporation prior to cancellation or refusal to renew any such policies. Lessee agrees that if such insurance policies are not kept in force during the entire term of this Lease, the Corporation may procure the necessary insurance, pay the premium therefore, and

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such premium shall be repaid to the Corporation immediately upon the Corporation's demand.

ARTICLE 21. CONDEMNATION

The Corporation and Lessee covenant and agree that in the event the whole property hereby leased shall be taken in condemnation proceedings or by any right of eminent domain, or otherwise, for public purposes, then and on the happening of any such event, the Corporation or Lessee, may terminate this Lease and the term hereby granted and all the rights of the Lessee hereunder, and the rent shall be paid up to the date of such condemnation or termination and any unearned rent paid in advance by the Lessee shall be refunded prorata. In the event any portion of the property hereby leased is condemned or taken by right of eminent domain or otherwise for public purposes thereby rendering the leased property unsuitable for the purpose of Lessee as stated in Article 2 above, then and on the happening of such event Lessee may terminate this Lease and the term hereby granted and all the rights of the Lessee hereunder and the rent shall be paid up to the date of such termination or condemnation and any unearned rent paid in advance by the Lessee shall be refunded prorata. If Lessee does not terminate this Lease upon such event, then the rent shall be reduced in proportion of the land taken as such bears to the total area of land leased. The Corporation and the Lessee may each independently file separate claims in such proceedings for the purpose of having the value of their respective interest

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1 determined, and the award shall be paid accordingly; but if the
2 public or governmental authorities shall object or refuse to
3 permit separate claims to be proved and/or distributed said award
4 in such manner, the Corporation will prosecute all claims for
5 damages to the Premises on behalf of both the Corporation and the
6 Lessee (and authority to do so is hereby granted), and after
7 deducting all reasonable expenses incurred by the Corporation
8 incident thereto, the balance of said award shall be divided
9 between the Corporation and the Lessee prorata in proportion to
10 their respective interests as established in that proceedings.
11 In the event the Corporation prosecutes the claim on behalf of
12 both parties hereto, all such awards shall be paid to the
13 Corporation for the account of the Corporation and Lessee as
14 hereinbefore provided.

15 ARTICLE 22. ABANDONMENT OF PREMISES

16 Should the Lessee fail to use the Premises for the purpose
17 set forth in this Lease Agreement for a consecutive period of
18 ninety (90) days without securing the written consent of the
19 Corporation, the Lessee shall be deemed to have abandoned the
20 Premises, so that in such event this Lease Agreement may, at the
21 option of the Corporation, be terminated pursuant to the
22 provisions of Article 20 hereof without further notice to the
23 Lessee.

24 ARTICLE 23. DEFAULT

25 Time is of the essence and Lessee shall automatically be in
26 default of this Lease if:

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- 1 A. Lessee shall fail to pay any installment or rent hereb
2 required to be paid by Lessee within thirty (30) days
3 after the due date under the terms of this Lease.
4
5 B. Lessee shall breach any term, provision or covenant of
6 Lease, other than the payment of rent, taxes, or othe
7 charges, and fails to commence the removal or curing
8 of such breach within thirty (30) days from and after
9 written notice from the Corporation.
10
11 C. Lessee shall become insolvent or adjudicated bankrupt.
12
13 D. Lessee abandons the Premises as provided in Article 22

Any notices, as may be required by law or this Lease
shall be delivered as provided by Article 19 of this Lease.

12 ARTICLE 24. REMEDIES

13 Upon the occurrence of any event of default specified i
14 Article 23, the Corporation may terminate this Lease and may
15 upon fifteen (15) days written notice, enter in, into and upo
16 the leased premises and take possession of all buildings
17 fixtures and improvements, and evict Lessee without liability o
18 trespass. The remedies herein shall not prejudice th
19 Corporation's other rights and remedies at law or equity.

20 ARTICLE 25. OPTION TO TERMINATE

21 In the event that the Lessee shall at any time be prevente
22 from utilizing the property for the purposes herein stated fo
23 any reasons beyond the reasonable control of Lessee, such as bu
24 not limited to, the failure of Lessee to receive the necessar
25 government licenses and permits required for earth clearin
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and construction or by action by any government agency or judicial decree preventing Lessee from utilizing the property for the intended purpose, then and in such event, Lessee shall have the option to terminate this Lease Agreement upon ninety (90) days written notice to the Corporation.

ARTICLE 26. ACCORD AND SATISFACTION

No payment by Lessee or receipt by the Corporation of a lesser amount than the annual rent herein stipulated shall be deemed to be other than on account of rents due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment of rent be deemed an accord and satisfaction, and the Corporation may accept such check or payment without prejudice to the Corporation's right to recover the balance of such rent or pursue any other remedy provided in this Lease. In the event that the rent or any other monies which are due hereunder by Lessee are delinquent, the Corporation may upon the receipt of any payments, apply them to any account or period it shall determine in its discretion.

ARTICLE 27. WAIVER OF BREACH

Waiver by the Corporation of any breach of any term covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term covenant or condition herein contained. The acceptance of rent by the Corporation shall not be deemed to be a waiver of any of the terms or conditions including the remedies of Corporation hereof. No covenant herein shall be deemed to be waived by the

Corporation unless such waiver be in writing by the Corporation.

1 ARTICLE 28. EXPENSE OF ENFORCEMENT

2 If action be brought by the Corporation for rent or any oth
3 sums of money due under this Lease Agreement, or if any action b
4 brought by either the Corporation or Lessee to enforc
5 performance of any of the covenants and/or conditions of thi
6 Lease Agreement, the losing and defaulting party shall pa
7 reasonable attorney's fees to be fixed by the Court as a part o
8 the costs in any action.

9 ARTICLE 29. INDEMNITY

10 Lessee will hold the Corporation harmless from any claim o
11 demand by third persons for damage, including claims for propert
12 damage, personal injury or wrongful death, arising out o
13 any accident on or about the demised premises, or occasioned b
14 any nuisance made or suffered on the Premises, or by any fire o
15 explosion thereon, or caused by any failure on the part of th
16 Lessee to maintain the Premises in a safe condition. Al
17 property, chattels, fixtures, furnishing, etc., which may belon
18 to the Lessee or to third parties, shall be maintained on th
19 property at the sole risk of the Lessee and the terms an
20 conditions of this indemnity clause shall be applicable heret
21 and shall hold the Corporation harmless, as set forth herein.

22 ARTICLE 30. COVENANT AND ENJOYMENT

23 The Corporation covenants that the Lessee, upon paying th
24 rent required herein and upon fulfilling all the conditions ar
25 agreements, required of the Lessee, shall and may lawfully
26

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P.O. Box 380
Saipan, Northern Mariana Islands 96950

peacefully and quietly have, and hold, use, occupy and possess
and enjoy the property during the term agreed upon without an
suit, hindrance, eviction, ejection, molestation, or
interruption whatsoever of or by the Corporation, or by any other
person lawfully claiming by, from, under or against the
Corporation.

ARTICLE 31. UNLAWFUL USE AND COMPLIANCE WITH LAWS

The Lessee covenants and agrees not to use or cause or
permit be used any part of the Premises for any unlawful conduct
or purpose. Lessee agrees to comply with all property, building
health, sanitation, safety and other laws and regulations of the
Commonwealth of the Northern Mariana Islands, which are in
effect or which may hereafter become effective.

ARTICLE 32. "HOLD OVER" CLAUSE

If the Lessee shall remain in possession after the expiration
of the term of this Lease Agreement or the extension thereof, the
Lessee shall be a tenant on a month-to-month basis and there
shall be no renewal of this Lease Agreement by operation of law
or otherwise.

ARTICLE 33. CONDITION OF PREMISES

The Lessee acknowledges that it has examined the Premises
prior to the making of this Lease Agreement and knows
the conditions thereof and that no representation other than
those expressed herein have been made by the Corporation, and
the Lessee hereby accepts the Premises in their present condition

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at the date of execution of this Lease Agreement.

1 ARTICLE 34. PUBLIC AUDITOR

2 The Lease Agreement is subject to 1 CMC Section 7845. The
3 Lessee, its sublessees, successors, and assigns, shall provide,
4 upon request, all records and reports, and shall allow audit,
5 inspection, and access to its books, records,
6 documents, correspondence, and any other data and material
7 relating to this Lease Agreement, to the Public Auditor of the
8 Commonwealth of the Northern Mariana Islands. This right of
9 access and inspections shall continue until the expiration of
10 three (3) years after the final rental payment under the Lease
11 is made.

12 ARTICLE 35. GENERAL PROVISIONS AND DEFINITIONS

13 A. Waiver. No waiver of any default of the Lessee
14 hereunder shall be implied from any omission by the Corporation
15 to take any action on account of such default if such default
16 persists or is repeated, and no express waiver shall affect the
17 default other than the default specified in the express waiver
18 and that only for the time and to the extent therein stated. One
19 or more waivers of any covenant, term or condition of this Lease
20 Agreement by the Corporation shall not be construed as a waiver
21 of any subsequent breach of the same covenant, term or condition.
22 The consent or approval by the Corporation to or of any act
23 of the Lessee requiring the Corporation's consent or approval shall
24 not be deemed to be a waiver or render unnecessary the Corporation's
25 consent or approval to or of any subsequent or similar acts
26

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the Lessee.

1 B. Agreement Complete. It is hereby expressly agreed tha
2 this Lease Agreement together with the exhibits attached heret
3 contains all of the terms, covenants, conditions an
4 agreements between the parties hereto relating in any manner t
5 the use and occupancy of the Premises, and that the executio
6 hereof has not been induced by either of the parties b
7 representations, promises or understandings not expressed herei
8 and that there are no collateral agreements, stipulations
9 promises or understandings of any nature whatsoever between th
10 parties hereto relating in any manner to the use and occupanc
11 of the Premises and none shall be valid or of any force o
12 effect, and that the terms, covenants, conditions and provision
13 of this Lease Agreement cannot be altered, changed, modified o
14 added to except in writing signed by the parties hereto.

15 C. Interpretation. The language in all parts of this shal
16 be in all cases construed simply, according to its fair meaning
17 and not strictly for or against the Corporation or the Lessee
18 Captions and paragraph headings contained herein ar
19 for convenience and reference only, and shall not be deemed t
20 limit or in any manner restrict the contents of the paragra
21 to which they relate.

22 D. Concessionaire. For the purpose of this Leas
23 Agreement, any concessionaire of the Lessee shall be deemed to b
24 a sublessee, and all of the provisions of this Lease Agreemen
25 applicable to sublessees and subleases shall be equall
26 applicable to the granting of any concession and t

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concessionaires with the same force and effect as though specially provided therein.

1 E. Government Representative. The authorized representa
2 tive of the Corporation for the purpose of this Lease Agreemen
3 shall be the Executive Director or such other person as th
4 Executive Director may designate in writing.

5 F. Companies Bonding and Insuring. All corporate suret
6 bonds provided by the Lessee in compliance with this Leas
7 Agreement shall be furnished by companies holding certificates o
8 authority from the Secretary of the Treasury of the United State
9 of America as acceptable sureties on Federal bonds. Al
10 insurance obtained by the Lessee in compliance with this Leas
11 Agreement shall be obtained from reputable companies acceptabl
12 to the Corporation.

13 G. Law Governing. This Lease Agreement shall be governe
14 by the laws of the Commonwealth of the Northern Mariana Islands
15 both as to the interpretation and performance.

16 H. Gross Receipts. "Gross Receipts", as that term is use
17 herein means all income or revenue whatsoever, including mone
18 and any other thing of value, received by or paid to the Lessee
19 its sublessees or concessionaires, or received by or paid t
20 others for the use and benefit of any of the aforementioned
21 derived from business done, sales made or services rendere
22 directly from or on the Premises, or derived from th
23 subleasing, subrenting, permitting, contracting, or other use c
24 the Premises or any portion thereof. The Lessee shall nc
25 directly, or indirectly, divert from inclusion in Gross Receipt
26

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any income or revenue whatsoever from the Premises or from an business conducted thereon, to any other business or enterpris located elsewhere. The following items may be deducted from th gross receipts:

- 1) credits for the exchange of goods or merchandise from the Premises to another store or stores owned or operated by the Lessee, its parent or affiliate, where such exchange is made solely for the convenience of business and not for the purpose of consummating a sale previously made directly or indirectly from or upon the Premises;
- 2) to the extent the same shall have been included in "Gross Receipts", there shall be deducted credits to customers for returned merchandise, merchandise trade-ins, exchanges, merchandise cancellations, allowances and discounts, and any and all credits to customers of a similar nature;
- 3) the amount derived from the sale or other disposition of fixtures, goodwill, improvements, furnishings, equipment, accessory, appliance, utensils or any other item of property: (i) which is either sold outside the ordinary course of the Lessee's business; or (ii) which is not acquired or held by the Lessee as a stock-in-trade or inventory for resale in the ordinary course of the Lessee's business;
- 4) to the extent the same has been counted in the "Gross Receipts", there shall be deducted an amount

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equal to all income or revenue accruing or paid to the Lessee or for its benefit which is derived from the rental, leasing, or grant of facilities on the Premises to any sublessee or concessionaire primarily for the purpose of operating on the Premises a retail or wholesale sales or service facility whose income or revenue is counted as part of the "Gross Receipts" of this Lease Agreement.

ARTICLE 36. LEASE AGREEMENT BINDING

This Lease Agreement and the covenants, conditions and restrictions hereof shall extend to and be binding upon the parties hereto, their heirs, successors and assigns and to any other person claiming to hold or to exercise any interest by under or through any of the parties hereto.

IN WITNESS WHEREOF, the parties have executed the Agreement on the date first written above.

MARIANAS PUBLIC LAND
CORPORATION

MICRONESIAN TELECOMMUNICATION
CORPORATION

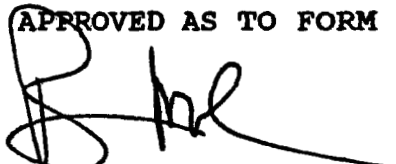
By: 

MARIAN ALDAN-PIERCE
Chairperson
Board of Directors

By: 

ROY N. MORIOKA
General Manager

APPROVED AS TO FORM & LEGALITY:


MPLC Legal Counsel

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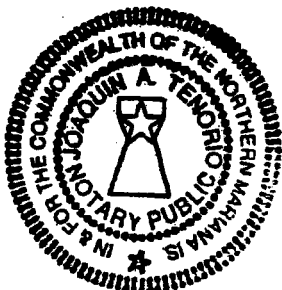
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ACKNOWLEDGMENT

COMMONWEALTH OF THE)
NORTHERN MARIANA ISLANDS) SS:

On this 26th day of September, 1990, before me
EDWARD T. TENANASNE (for)
appeared, Roy N. Merioka, authorized representative, of Micronesia
Telecommunications Corporation, known to me to be the person
whose name is subscribed to the foregoing Indenture and
acknowledged that he signed and delivered said Indenture as his
free and voluntary act for the purposes therein set forth.

In Witness Whereof, I hereunto set my hand and sealed this
26th day of September, 1990.



[Signature]
Notary Public
JOAQUIN A. TENORIO
Commonwealth of the Northern Mariana Islands
My Commission Expires on the
26th day of Mar., 1992

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ACKNOWLEDGMENT

COMMONWEALTH OF THE NORTHERN)
MARIANA ISLANDS) ss.
_____)

The foregoing instrument was acknowledged before me
this 21st day of September, 1990 by Marian Aldan-
Pierce, Chairperson Board of Directors, Marianas Public Land
Corporation, a Commonwealth of the Northern Mariana Islands
Corporation, on behalf of the Corporation.



Bertha T. Camacho
Notary Public

BERTHA T. CAMACHO
Notary Public
Commonwealth of the Northern Mariana Islands
My Commission Expires on the
6th day of February, 1991